Montana Crop & Livestock Reporter

survey results summary issued twice monthly by the
Montana Agricultural Statistics Service

USDA-NASS

Issue: 04-22 (0279-0394) Released: November 24, 2004

HIGHLIGHTS:

Red Meat Production
Milk Production
Cattle on Feed
Egg Production
Farm Labor
World Ag Supply and Demand

October Red Meat Production

Montana slaughter plants produced 1.4 million pounds, dressed weight, of red meat during October 2004, unchanged from last year, but up 10 percent from September's production. Cattle slaughter totaled 1,600 head, down 100 head from a year ago. The average live weight decreased 16 pounds to 1,133 from the previous year.

During October there were 1,300 hogs slaughtered, 200 more than a year ago. The average live weight, at 243 pounds, dropped 8 pounds from last year. October sheep slaughter totaled 500 head, 100 head more than October 2003. The average live weight increased 2 pounds to 124 pounds.

Commercial red meat production for the United States totaled 3.92 billion pounds in October, down 6 percent from the 4.16 billion pounds produced in October 2003.

U.S. beef production, at 2.11 billion pounds, was 4 percent below the previous year. Cattle slaughter totaled 2.75 million head, down 9 percent from October 2003. The average live weight was up 36 pounds from the previous year, at 1,267 pounds.

Veal production in the U.S. totaled 12.4 million pounds, 24 percent below October a year ago. Calf slaughter totaled 62,500 head, down 28 percent from October 2003. The average live weight was 22 pounds above last year, at 330 pounds.

U.S. pork production totaled 1.78 billion pounds, down 7 percent from the previous year. Hog kill totaled 8.97 million head, 7 percent below October 2003. The average live weight was unchanged the previous year, at 267 pounds.

Lamb and mutton production in the U.S., at 16.3 million pounds, was down 9 percent from October 2003. Sheep slaughter totaled 241,400 head, 9 percent below last year. The average live weight was 134 pounds, unchanged from October a year ago.

January to October 2004 commercial red meat production for the U.S. was 37.7 billion pounds, down 4 percent from 2003. Accumulated beef production was down 9 percent from last year, veal was down 12 percent, pork was up 3 percent from last year, and lamb and mutton production was down 3 percent.

October Milk Production

Milk production in the 20 major States during October totaled 12.2 billion pounds, up 1.3 percent from October 2003. September revised production, at 11.9 billion pounds, was up 1.3 percent from September 2003. The September revision represented a decrease of 1 million pounds from last month's preliminary production estimate.

Production per cow in the 20 major States averaged 1,576 pounds for October, 15 pounds above October 2003. The number of milk cows on farms in the 20 major States was 7.77 million head, 26,000 head more than October 2003, but unchanged from September 2004.

U.S. Cattle on Feed Up 3 Percent

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.3 million head on November 1, 2004. The inventory was 3 percent above November 1, 2003 and 5 percent above November 1, 2002.

Placements in feedlots during October totaled 2.70 million, 3 percent below 2003 but 13 percent above 2002. This is the second lowest placements for the month of October since the series began in 1996. Net placements were 2.64 million head. During October, placements of cattle and calves weighing less than 600 pounds were 912,000, 600-699 pounds were 764,000, 700-799 pounds were 529,000, and 800 pounds and greater were 496,000.

Marketings of fed cattle during October totaled 1.80 million, 3 percent below 2003 and 9 percent below 2002. Other disappearance totaled 66,000 during October, 35 percent below 2003 and 21 percent below 2002.

October Egg Production

U.S. egg production totaled 7.64 billion during October 2004, up 3 percent from last year. Production included 6.56 billion table eggs, and 1.08 billion hatching eggs, of which 1.02 billion were broiler-type and 62 million were egg-type. The total number of layers during October 2004 averaged 344 million, up 3 percent from a year earlier. October egg production per 100 layers was 2,221 eggs, up slightly from October 2003.

All layers in the U.S. on November 1, 2004, totaled 344 million, up 2 percent from a year ago. The 344 million layers consisted of 287 million layers producing table or market type eggs, 55.5 million layers producing broiler-type hatching eggs, and 2.50 million layers producing egg-type hatching eggs. Rate of lay per day on November 1, 2004, averaged 71.8 eggs per 100 layers, down slightly from a year ago.

Laying flocks in the 30 major egg producing States produced 7.15 billion eggs during October 2004, up 3 percent from a year ago. The average number of layers during October, at 322 million, was up 3 percent from a year ago.

Egg-type chicks hatched during October totaled 36.0 million, up 3 percent from October 2003. Eggs in incubators totaled 37.0 million on November 1, 2004, up 27 percent from a year ago. Domestic placements of egg-type pullet chicks for future hatchery supply flocks by leading breeders totaled 268,000 during October 2004, down 14 percent from October 2003.

The October 2004 hatch of broiler-type chicks, at 758 million, was up 3 percent from October of the previous year. There were 608 million eggs in incubators on November 1, 2004, up 3 percent from a year earlier.

Leading breeders placed 6.59 million broiler-type pullet chicks for future domestic hatchery supply flocks during October 2004, up 4 percent from October 2003.

Hired Workers Down 2 Percent, Wage Rates Up 3 Percent From a Year Ago

There were 1,173,000 hired workers on the Nation's farms and ranches during the week of October 10-16, 2004, down 2 percent from a year ago. Of these hired workers, 851,000 workers were hired directly by farm operators. Agricultural service employees on farms and ranches made up the remaining 322,000 workers.

Farm operators paid their hired workers an average wage of $9.30 per hour during the October 2004 reference week, up 25 cents from a year earlier. Field workers received an average of $8.60 per hour, up 18 cents from last October, while livestock workers earned $8.91 per hour compared with $8.64 a year earlier. The field and livestock worker combined wage rate, at $8.67 per hour, was up 20 cents from last year. The number of hours worked averaged 40.5 hours for hired workers during the survey week, up 1 percent from a year ago.

Hired farm worker wage rates were generally above a year ago in most regions. The largest increases occurred in the Southern Plains, Delta (Arkansas, Louisiana and Mississippi), Corn Belt I (Illinois, Indiana and Ohio), and Mountain I regions. The higher wages in the Southern Plains and Delta regions were due to a larger concentration of salaried workers putting in fewer hours and a lower percentage of part-time seasonal workers in the work force. Corn Belt I wages were up due to a higher percentage of nursery and greenhouse workers in the work force. In the Mountain I region, wages were higher because of more salaried livestock workers working fewer hours which pushed their hourly wage higher.

The 2004 U.S. all hired worker annual average wage rate was $9.22, up 2 percent from the 2003 annual average wage rate of $9.08. The U.S. field worker annual average wage rate was $8.45, up 14 cents from last year's annual average. The field and livestock worker combined annual average wage rate at the U.S. level was $8.55, up 2 percent from last year's annual average wage rate of $8.42.

Hired Workers: Annual Average Wage Rates By State, 2003-04 1/ 2/

State	All Hired		Field		Field & Livestock	
	2003	2004	2003	2004	2003	2004
	Dollars per Hour					
CO	9.13	9.73	8.27	9.14	8.42	9.09
ID	8.04	8.63	7.63	8.00	7.81	8.36
MT	**8.37**	**9.18**	**8.08**	**8.85**	**7.92**	**8.82**
ND	9.49	9.85	9.32	9.89	9.32	9.78
OR	9.39	9.66	8.47	8.91	8.76	8.84
SD	9.23	9.44	8.46	9.02	8.94	9.07
UT	9.25	9.65	7.92	8.54	8.38	8.84
WA	9.14	9.58	8.50	9.03	8.70	9.15
WY	7.17	7.16	6.70	7.01	6.59	6.69
US 3/	9.08	9.22	8.31	8.45	8.42	8.55

1/ Excludes Agricultural Service Workers. 2/ Annual rates are averages of the published wage rates for each survey week weighted by the number of hours worked during the week. The annual average for all States, Regions, and the U.S. is based on data collected for January, April, July, and October. 3/ Excludes AK.

World Ag Supply and Depmand Estimates

The WASDE report incorporates information from a number of statistical reports published by USDA and other government agencies. In turn, the WASDE report provides a framework for more detailed reports issued by USDA Economic Research Service and Foreign Agricultural Service.

WHEAT: Projected U.S. 2004/05 ending stocks of wheat are 568 million bushels, 1 million bushels less than last month. Production is down 6 million bushels (mostly in Hard Red Spring wheat) but that is nearly offset by a 5-million-bushel increase in Soft Red Winter (SRW) wheat imports. Seed use rises 1 million bushels. Food use, feed and residual, and exports of wheat are unchanged, but changes are made in the by-class allocation of domestic use and exports. The projected price range is raised 10 cents on the lower end of the range to $3.20 to $3.50 per bushel because of stronger-than-expected prices during the past month.

Projected 2004/05 global wheat production, use, and stocks are up slightly from last month. Global wheat production is raised 1.1 million tons to a record 617 million tons because of larger foreign production. Larger crops are projected for the EU-25 (up 1.2 million tons) and Russia (up 1 million tons), with smaller increases for Argentina and Brazil. Australia's crop is down 1 million tons; Canada's is down 0.5 million tons; and smaller reductions are projected for Algeria and South Africa. Global consumption is raised fractionally from last month. Global imports and exports are up slightly from last month due to changes in a number of countries. The largest change in imports is a 0.3-million-ton increase for Algeria. Relative to last month's projections, Russia's exports are up 1 million tons, Argentina's are up 0.5 million tons, while the exports of Kazakhstan are down 0.5 million tons. Small changes in exports and imports are projected for several other countries. Global ending stocks are 0.7 million tons larger than last month's projection with the largest changes occurring in the EU-25 (up 1.2 million tons), Argentina (down 0.7 million tons), Canada (down 0.5 million tons), and Kazakhstan (up 0.5 million tons).

COARSE GRAINS: Further increases are projected this month for 2004/05 U.S. feed grain production and ending stocks. Forecast corn production, a record 11.741 billion bushels, is up 128 million bushels from last month. Also, grain sorghum production is up 10 million bushels. Due to revisions in harvested area, barley and oat production are both down 1 million bushels Projected feed and residual use of corn, sorghum, and barley are up from last month. Corn and grain sorghum exports are each reduced 25 million bushels due to the slow pace of export sales to date and lower projected imports by Mexico, South Korea, and several other major markets. No change is made to industrial use of corn. (Continued on next page)

World Ag Supply and Depmand Estimates (continued)

Relative to last month, projected ending stocks of corn are up 128 million bushels and sorghum stocks are up 20 million bushels. The projected price range is down 5 cents on each end from last month for corn to $1.70 to $2.10 per bushel. The price range of sorghum is down 15 cents on each end to $1.55 to $1.95 per bushel.

Global 2004/05 coarse grain supply, use, and stocks projections are up from last month. Global production is raised to a record 985 million tons, up 8 million tons from last month and 9 percent larger than 2003/04. Relative to last month, larger crops are projected for China (up 4 million tons), the United States (up 3.5 million tons), and the EU-25 (up nearly 1 million tons). Crop reductions are noted for Brazil (down 0.5 million tons), Australia (down 0.4 million tons), and Bolivia (down 0.3 million tons). Production changes are projected for a number of other countries. Global consumption is raised slightly but global trade is down slightly from last month. Reduced imports are projected for Mexico, South Korea, Egypt, Turkey, the Philippines, Japan, and Brazil. Larger imports by Peru, Iran, Indonesia, and other countries are partially offsetting. Smaller exports are projected for the United States, Australia, and Indonesia but larger exports are projected for the EU-25. Global coarse grain stocks rise 8 million tons from last month and are up 21 million tons from last year. China's stocks increase 4.1 million tons due primarily to the larger corn crop. Ending stocks also rise for the United States, with smaller increases projected for South Africa, South Korea, Russia, Ukraine, and other countries. Notable declines in stocks are projected for Mexico, Brazil, and Australia, with smaller reductions forecast for other countries.

OILSEEDS: U.S. oilseed ending stocks for 2004/05 are projected at 13.8 million tons, up 1.6 million tons from last month due to increased soybean and cottonseed production. U.S. total oilseed production is projected at 96.8 million tons, up 1.6 million tons from last month. Soybean production is forecast at a record 3,150 million bushels, up 43 million bushels from last month based on a record soybean yield of 42.6 bushels per acre. Cottonseed production is forecast up 366,000 short tons from last month.

Projected soybean exports are reduced 15 million bushels, mainly reflecting lower import demand in China. Higher freight rates are expected to moderate stock accumulation by crushers in China. Soybean ending stocks are projected at 460 million bushels, which would be the highest level since 1985/86. Soybean oil use is increased this month reflecting the impact of new tax incentives for biodiesel production.

The U.S. season-average soybean price for 2004/05 is projected at $4.55 to $5.35 per bushel, down 15 cents on both ends of the range. The soybean meal price is projected at $145 to $175 per short ton, down 5 dollars on both ends of the range. The soybean oil price is projected at 21.5 to 24.5 cents per pound, unchanged from last month. Global oilseed production for 2004/05 is projected at a record 388.5 million tons, up 2.7 million tons from last month. Foreign oilseed production is increased 1.1 million tons, primarily due to higher rapeseed, sunflowerseed, and cottonseed production. EU-25 rapeseed production is raised 0.2 million tons to 14.5 million tons, 3.5 million tons higher than last year's drought-reduced crop. Other changes include increased rapeseed production for India and increased sunflowerseed production for Russia. Foreign vegetable oil production is raised 1 million tons to 96.6 million tons, primarily due to higher palm oil production in Malaysia and Indonesia.

SUGAR: Projected U.S. sugar supply for 2004/05 is decreased 259,000 short tons, raw value, from last month, mainly due to lower beginning stocks. Total sugar production is decreased 61,000 tons, based on processors' production projections submitted to the Farm Service Agency. Lower cane sugar production in Florida and Louisiana more than offsets higher U.S. beet sugar production.

For 2003/04, ending stocks of 1.907 million tons are down from 2.105 million tons last month, based on processor reporting of fiscal-year supply, export sales, and domestic deliveries. Total supply is reduced 138,000 tons, due mainly to lower production. Total use is increased 60,000 tons, as higher sales for export and residual statistical discrepancies more than offset lower total deliveries.

LIVESTOCK, POULTRY, AND DAIRY: Total U.S. meat production forecasts for 2004 and 2005 are raised. Meat production forecasts for 2004 are slightly higher based on actual slaughter in the third quarter and larger expected output in the fourth. Projected meat production in 2005 is raised 130 million pounds as higher beef production more than offsets lower pork production. Projected beef production is raised as feedlot marketings are expected to be higher and cattle weights heavier. Pork production for 2005 is lowered as the recent announcement of anti-dumping duties on Canadian hogs is expected to lead to some shifting from imports of slaughter hogs to imports of pork. Poultry production is changed fractionally.

Beef trade in 2005 is raised to reflect expectations of continued recovery in sales to Mexico. These forecasts do not assume a resumption of beef trade with Japan at this time. The United States and Japan have agreed to resume trade in beef once respective conditions have been met. The conditions are being determined and are subject to approval by each government. As the conditions are worked out, forecasts will be adjusted to reflect new information. Broiler exports for 2004 and 2005 are raised sharply. Forecasts in 2004 are raised based on stronger-than-expected sales to Mexico, Canada, and the Commonwealth of Independent States. The recent announcement by China allowing the import of poultry products, coupled with stronger sales to other markets, is expected to result in higher 2005 broiler exports compared to last month. Turkey export forecasts are raised from last month to reflect stronger exports to a number of markets and the expected resumption of trade with China. The pork export forecast is unchanged from last month but pork imports for 2005 are raised as the recently announced anti-dumping duties on Canadian hogs are expected to result in some shift in trade from slaughter hogs to pork.

Cattle price forecasts are reduced slightly in both 2004 and 2005 because of increased beef output. Hog price forecasts for 2004 are raised because of higher-than-expected recent prices. Hog prices are unchanged in 2005. Broiler prices in the fourth quarter of 2004 are reduced.

The milk production forecast for 2004/05 is increased because the cow herd is expected to decline more slowly than forecast last month Milk per cow is unchanged. Commercial use, both fat and skim basis, is expected to be stronger. Milk price forecasts for 2004/05 are raised from last month because of stronger demand for milkfat, especially in the first quarter of the marketing year. Class III and Class IV milk prices are higher than last month as recent cheese and butter prices have strengthened. The all milk price is raised to $13.75 to $14.45 per cwt for 2004/05.

Wheat: Supply, Disappearance, and Price, United States, 1988-2004

Year Beginning June 1	SUPPLY				DISAPPEARANCE						Ending Stocks May 31	Season Avg. Price
	Beginning Stocks	Production	Imports 1/	Total	Domestic Use				Exports 1/	Total Disappearance		
					Food	Seed	Feed 2/	Total				
	---Million Bushels---											$
1988 . .	1,261	1,812	23	3,096	715	103	157	975	1,419	2,394	702	3.72
1989 . .	702	2,037	23	2,765	749	104	139	992	1,233	2,225	536	3.72
1990 . .	536	2,730	36	3,302	790	93	482	1,365	1,068	2,434	868	2.61
1991 . .	868	1,980	41	2,888	789	94	244	1,127	1,280	2,412	475	3.00
1992 . .	475	2,467	70	3,012	834	99	194	1,128	1,354	2,481	531	3.24
1993 . .	531	2,396	109	3,036	872	96	272	1,240	1,228	2,467	568	3.26
1994 . .	568	2,321	92	2,981	853	89	344	1,287	1,188	2,475	507	3.45
1995 . .	507	2,183	68	2,757	883	104	153	1,140	1,241	2,381	376	4.55
1996 . .	376	2,277	92	2,746	891	102	308	1,301	1,001	2,302	444	4.30
1997 . .	444	2,481	95	3,020	914	92	251	1,257	1,040	2,298	722	3.38
1998 . .	722	2,547	103	3,373	908	81	397	1,385	1,042	2,427	946	2.65
1999 . .	946	2,299	95	3,339	929	92	279	1,300	1,090	2,390	950	2.48
2000 . .	950	2,232	90	3,272	950	80	304	1,334	1,062	2,396	876	2.62
2001 . .	876	1,957	108	2,941	926	84	190	1,200	964	2,164	777	2.78
2002 . .	777	1,606	85	2,468	923	83	120	1,126	850	1,976	491	3.56
2003 . .	491	2,345	72	2,909	911	80	211	1,202	1,159	2,362	547	3.40
2004 . 3/	547	2,158	65	2,770	920	82	225	1,227	975	2,202	568	3.20-3.50

1/ Imports and exports include flour and other products expressed in wheat equivalent. 2/ Residual, approximates feed use and includes negligible quantities used for distilled spirits. 3/ Preliminary. SOURCE: World Agricultural Supply and Demand Estimates, November 2004--ERS. Totals may not add due to independent rounding.

COMING IN NEXT REPORTER

- Christmas letter
- Livestock & Meat Imports and Exports - ERS
- U.S. Meat Supply and Use
- Ag Prices Received
- Dry Bean Production

Peggy Stringer, Director
Curtis E. Lund, Deputy Director
Wendy Bruski, Editor
10 W. 15th Street, Suite 3100, Helena, Montana 59626
406-441-1240 or 1-800-835-2612
www.nass.usda.gov/mt/ nass-mt@nass.usda.gov